

# Exhibit A

02-10-11 Deposition of David Lynett(ascii)

9 recall specifically how we got that. Amy and  
 10 Scott did that directly together, getting that  
 11 information.  
 12 Q Did anyone acting on behalf of CUMIS have any  
 13 discussions with Fannie Mae concerning any of the  
 14 claims made by any credit union, concerning losses  
 15 caused by CU National?  
 16 A Other than Amy having contact with Fannie Mae  
 17 counsel, I don't know of any other direct contact.  
 18 Q What was the purpose of Amy having communications  
 19 with Fannie Mae?  
 20 A We were trying to learn how the loss happened.  
 21 Q What facts did you learn from conversations with  
 22 Fannie Mae concerning how the losses happened?  
 23 A Well, we found out their position was they were a  
 24 holder in due course on the mortgages.  
 25 Q Anything else?

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1 A At some point, we got access to what they referred  
 2 to as the vault that had documents, the transfer  
 3 documents. I think in some cases that's where the  
 4 original mortgages were.  
 5 Q And did someone review those mortgages?  
 6 A In the -- in the cases where we had the credit  
 7 union's permission to look at that credit union's  
 8 documents, we would look at them.  
 9 Q Does that include Suffolk?  
 10 A I don't remember -- I don't believe they gave us  
 11 access to theirs. Again, that was due to the  
 12 conversation about putting the claim investigation  
 13 on the back burner.  
 14 Q What information did you learn from the review of  
 15 the mortgage documents from the vault?  
 16 A How they were transferred.  
 17 Q How did that happen?  
 18 A What -- typically, what we found was that if it  
 19 was a loan that was authorized to be sold, there  
 20 was a variation of the way that was accomplished.  
 21 Some had a general standing  
 22 agreement of how it would be transferred; in some  
 23 cases, credit union employees from their internal  
 24 lending department would sign the documents; in  
 25 some cases, CU National personnel would sign for

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1 them.  
 2 In the cases where loans were  
 3 transferred or sold without authority, we found  
 4 that either Michael McGrath or one of his close  
 5 associates signed those documents representing  
 6 themselves to be credit union employees.  
 7 Q Who were the close associates?  
 8 A I remember Ron Carty. I don't remember any other  
 9 specific names.  
 10 Q Did you ever come to learn how loans -- Suffolk's  
 11 loans were authorized to be sold?  
 12 A I don't remember specifically what their process  
 13 was.  
 14 Q Did you or anyone else at CUMIS ever seek to  
 15 determine what documents McGrath created in order  
 16 to avoid detection by Suffolk?  
 17 A I know that he was creating the monthly summaries  
 18 that would be provided for. In other words, he  
 19 had to do a two-track. Once Fannie owned a loan

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20 they weren't supposed to own, he had to do an  
 21 accounting record for both Fannie and the credit  
 22 union.  
 23 Q Did you ever -- do you have any understanding of  
 24 whether one of those accountings was inaccurate in  
 25 any way?

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 1 A I don't have any information to suggest it wasn't  
 2 accurate as to the loans that it referred to.  
 3 Q Have you ever heard the term "trial balance"?  
 4 A Yes.  
 5 Q Do you know whether McGrath ever submitted to  
 6 Suffolk any trial balances that showed that loans  
 7 that were actually sold to Fannie Mae were still  
 8 in Suffolk's loan portfolio?  
 9 A It's my understanding that he would create, like I  
 10 said, a dual set. So there --  
 11 Q And the set that was sent to Suffolk was a set  
 12 that showed that loans that were actually  
 13 not -- strike that.  
 14 And the set that was sent to  
 15 Suffolk showed loans in Suffolk's portfolio that  
 16 were actually already sold to Fannie Mae?  
 17 MR. DAVISSON: Object to the form. You  
 18 can answer.

19 BY THE WITNESS:

20 A Eventually, that's what we learned, is that there  
 21 were loans that were sold that were not authorized  
 22 to be sold.

23 BY MS. BRANKOV:

24 Q And were those loans reflected on the trial  
 25 balances?

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 1 A I assume they were. I don't remember  
 2 specifically.  
 3 Q Do you know if any of the documents McGrath sent  
 4 to Suffolk were false and misleading in an effort  
 5 to hide the fraud that he had and was  
 6 perpetrating?

7 MR. DAVISSON: Object to the form.

8 BY THE WITNESS:

9 A The only documents I'm personally aware of that  
 10 they got that were -- I mean, if you're sending a  
 11 trial balance to Suffolk and a trial balance for  
 12 the same loans to Fannie Mae, one could conclude  
 13 that that was misleading.

14 BY MS. BRANKOV:

15 Q Did CUMIS ever consider whether McGrath used his  
 16 position as Suffolk's servicing contractor to  
 17 conceal the unauthorized sale of the 189 loans to  
 18 Fannie Mae?

19 MR. DAVISSON: Object to the form.

20 BY THE WITNESS:

21 A Use his position? I guess I don't understand what  
 22 that -- what you're asking me.

23 MS. BRANKOV: Strike that. I'll go back  
 24 to it.  
 25

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1 BY MS. BRANKOV:

2 Q Do you know if there was anything that CUMIS did  
 3 to investigate Suffolk's claim that was not done  
 4 to investigate any of the other claims by the